EXHIBIT 15

AMERICAN BANKER
THE FINANCIAL SERVICES DAILY

Mortgages
Pipeline

By Harry Terris
910 words
22 February 2007
American Banker
11
Vol. 172, No. 36
English

WASHINGTON -- Alt-A Tremors

There are a number of signs that the credit problems that have plagued subprime loans are creeping up to the alternative-A sector.

On Feb. 14, Standard & Poor's Corp. took what it called an unusual step by putting mortgage-backed securities on review for possible downgrade before any actual losses had been incurred.

The rating agency said it did so because of extraordinary levels of early defaults. Bonds from 11 transactions that closed in 2006 were put on the watch list -- including an alt-A deal from Countrywide Financial Corp.

Also that day, Opteum Inc. reported that in the fourth quarter it had set aside $7.3 million, or about 54.9% of its total loan-loss provision for 2006, due to higher early-payment defaults. The Vero Beach, Fla., real estate investment trust and mortgage lender funded about $6.3 billion of mortgages in 2006, with only 4.3% in the subprime category; 63.7% were alt-A.

Issuance of securities backed by alt-A mortgages has been booming, and on a Friday conference call hosted by Goldman Sachs Group Inc., Kevin Gasvoda, a whole-loan trader with the firm, said the performance of the two loan categories remains distinct.

Mr. Gasvoda traced the problems in subprime to practices he said were largely unique to the product class. Though both types of loans are designed for borrowers with poor credit histories, and the boundaries dividing them are not as clear as those defining prime loans, alt-A compares favorably with subprime with generally lower loan-to-value ratios and higher levels of mortgage insurance, he said.

"It's hard to believe" alt-A "won't be affected in some ways," he said, "but a decent amount of that market is more like the prime market than ... like the subprime market. It's not too hard to imagine" that the deterioration in asset quality "remains much more concentrated and isolated to the subprime world."

Investor demand for alt-A paper remains strong, Mr. Gasvoda said. The market upheaval "seems to be very much a subprime event, based on spreads and execution and demand." On pricing, "subprime's affected, the others really aren't."

According to S&**P**, issuance of alt-A securities hit a record of $104.8 billion in the fourth quarter, just edging out the previous record, set in the second quarter. The ratings firm said that fixed-rate alt-A volume gained on option adjustable-rate volume as short-term rates rose above long-term ones, but affordability products still made up the bulk of the market.

S&P's inclusion of an alt-A deal on its watch list had been foreshadowed by a January report from Moody's Investors Service Inc. on securitizations that closed in April and May.

That report said the default rate within six months of issuance had risen to 2.59% of collateral from 0.84% for subprime deals closed in the first quarter of 2005. For alt-A the default rate rose to 0.46% from 0.15%; for prime, it stayed under 0.05%.

On a Feb. 15 conference call, Opteum executives said that its early defaults stemmed from second-lien

loans with stated incomes and stated assets, and that it had stopped making such loans.

Peter Norden, a senior executive vice president at Opteum, said, "Most of the delinquencies we had frankly were in that under 660 [credit score] range ... and I consider anything under 620 certainly to be a subprime loan."

Opteum is no longer experiencing large numbers of early defaults, and it continues "to look at underwriting guidelines ... virtually every day now based on the marketplace," he said.

The outsize reserves contributed to a $33.9 million fourth-quarter loss for Opteum.

Details on Wells

A notice that Wells Fargo Home Mortgage sent to correspondents on Friday, a copy of which American Banker obtained, describes how the lender is tightening underwriting of its "alt-A-minus" product.

Among other changes, the Des Moines unit of Wells Fargo & Co. no longer writes no-documentation mortgages under the Expanded Financing Alternatives program. The maximum debt-to-income ratio fell to 50% from 55% for borrowers seeking mortgages with loan-to-value ratios above 80%. For stated-income borrowers the minimum FICO score is now 640, up from 620; the option is now available only to the self-employed; and loan-to-value minimums have been lowered. The minimum FICO score for reduced-documentation loans on investment properties is now 660, up from 620.

"These changes in no way indicate a wavering of our commitment to this segment of the market," the notice says. "The tightened policies are consistent with marketplace trends."

This week the unit said it would cut 250 jobs.

NovaStar Dims

NovaStar Financial Inc. has joined the growing list of lenders experiencing blows from deteriorating subprime credit quality.

The Kansas City, Mo., REIT reported Tuesday after the market closed that in the fourth quarter it recognized more than $41 million of impairments and loss provisions, contributing to a $14.4 million loss, against a profit of $26.4 million a year earlier. NovaStar also said it was considering dropping its status as a REIT. The company's shares had fallen 40% by midday Wednesday.

Document AMB0000020070222e32m0000i